



Co-operative Federation of Victoria Ltd

Minute board meeting 10:30 – 11: 55 a.m., 20 May 2010, Substitution Pty Ltd, 1/484 William Street, North Melbourne

PRESENT: Niel Black (A/Chairman), David Dinning, Shirley Faram and David Griffiths (Secretary)
APOLOGY: Tony O'Shea and Dianne Batterham

1. Minutes

That the minute of the meeting of 10 March 2010 be accepted as a true and accurate record.

2. Business arising from the meeting of 10 March 2010

2.1 Co-operative Education

The following co-operative education initiatives were discussed:

Co-operative/Organisation	
CEHL	It was agreed that SF would make contact with the co-operative.
MECU	DD reported that MECU was trying to meet with Trent Bartlett to discuss the Co-operative Identity program...
Murray Goulburn	N.B. still working on with some preliminary material provided by D.G.
HICO	N. B has discussed with HICO their attendance at a CFV board meeting or CFV attendance at a HICO board meeting
Genetics Australia	N. B to meet with Genetics this afternoon.
Co-operative College	D.D. reported a projected visit in the later half of this year.

ACTION: As above

2.2 CAV

It was noted that a positive letter dated 10 May 2010 had been received from the Minister for Consumer Affairs concerning the Co-operatives National Law, The Minister's letter advised, inter alia, that the Registrar had been asked to write to each registered co-operative in Victoria to remind them of the project and to provide an update of its progress and anticipated timelines for its completion.

It was also noted that subsequent to the Minister's letter a circular dated 13 May 2010 to all registered co-operatives on the Co-operatives National Law from Dr. Claire Noone, Registrar of Co-operatives, had been received.

It was noted that the circular had originally been proposed by the Federation to CAV in February 2010.

It was also noted that the circular advised all co-operatives that the Co-operative Federation of Victoria Ltd had advised CAV that it was available to provide advice and information to co-operatives on the proposed changes and that CFV's contact information was provided.

The Secretary also advised that at the request of Tony O'Shea he had contacted the Waverley Trading Co-operative Ltd and had spent the day with the co-operative on the 17 May 2010.

He advised that the co-op was in the process of winding-up. He said that this did not mean that the attempt to save the co-op was a failure e.g. a school that had been purchasing about 30% of the stock per annum had ceased using the co-operative as a supplier after 20 years, competing suppliers had been undermining the co-op with schools, the previous Administrator's charge imposed a heavy burden on the co-ops finances and from July 2010 rent for the co-op will increase from \$55,000 to \$100, 00 per annum.

The Secretary reported that with the assistance of John Unkovitch, of CAV, he had initiated direct contact between the Registration Branch of CAV and the co-op. Each has names and direct telephone numbers.

He advised that he had offered ongoing assistance on whatever basis would be helpful and the Secretary will keep me advised.

ACTION: Secretary

2. 3. Co-operatives Australia

CA is revising the list of top 100 co-operatives, credit unions and mutuals. A/Chairman and Treasurer of CV were assisting this process. All other States have completed their updating. Victoria has not.

The last CA conference call was on 22 March 2010 hosted by CFNSW. It was noted that the next conference call was to be on 31 May 2010 hosted by CFV.

ACTION: Secretary

2.4 Co-operatives National Law

It was noted that this is scheduled to be passed in NSW in 2010 and in other States in 2011, A list of the submissions received was tabled:

No.	Individual/organisation	Date received	Pages
1	Gayndah Packers Co-operative Association Ltd in PDF format (size: 272kb)	10/2/2010	4
2	The Co-operative Federation of South Australia Inc. in PDF format (size: 26kb)	17/2/2010	2
3	Dr Gary Oliver (in PDF format (size: 33kb)	22/2/2010	3
4	Chartered Secretaries Australia in PDF format (size: 74kb)	24/2/2010	2
5	The Co-operative Federation of South Australia Inc. (2) in PDF format (size: 24kb)	24/2/2010	2
6	Mattila Lawyers in PDF format (size: 93kb)	24/2/2010	4
7	Co-operatives WA in PDF format (size: 74kb)	26/2/1020	10
8	Co-operative Development Services Ltd in PDF format (size: 152kb)	26/2/2010	16

9	Co-operatives Australia in PDF format (size: 25kb)	26/2/2010	1
10	Ravensdown in PDF format (size: 111kb)	26/2/2010	4
11	Co-operative Federation of NSW Ltd in PDF format (size: 118kb)	26/2/2010	25
12	Adam Jones in PDF format (size: 74kb)	26/2/2010	1
13	CPA Australia in PDF format (size: 122kb)	26/2/2010	3
14	Mark Snell in PDF format (size: 25kb)	26/2/2010	2
15	Namoi Cotton Co-operative Ltd in PDF format (size: 144kb)	26/2/2010	4
16	ASIC in PDF format (size: 52kb)	26/2/2010	1
17	Insolvency Practitioners Australia in PDF format (size: 470kb)	26/2/2010	6
18	Price Waterhouse Coopers in PDF format (size: 36kb)	2/3/2010	1
19	Co-operative Federation of Victoria Ltd in PDF format (size: 138kb)	8/3/2010	6
20	Law Council of Australia in PDF format (size: 152kb)	9/3/2010	9
21	Auditing and Assurance Standards Board in PDF format (size: 164kb)	12/3/2010	3

There was discussion on the issue of audit exemption for small co-operatives. It was noted that the WA position was to align the small co-operative definition with the Section 45A (2) any 2 out of 3 threshold statements. WA was not saying there should not be a reporting requirement but that members should be able to make that decision. WA is also arguing that it is also open to a co-operative board to voluntarily embrace reporting and audit even if not required at law and that a co-operative's rules could set minimum reporting requirements that would apply whilst that rule existed, thereby affording a high degree of permanency around the members' direction.

NSW has argued that the WA position would basically mean co-ops wouldn't be required to provide financial reports or have audits, as most have less than \$12M turnover. The NSW argument is that co-ops are not the same as small companies - their turnover may not be large but individual members don't have the day-to-day involvement and control that enables them to oversee operations and books of account in the way a closely held company's shareholders are hands on. NSW is suggesting that a "review" be required, which could be defined in a restricted way to give some comfort whilst not requiring the detail and cost of an audit.

That the threshold for defining a small co-operative in terms of audit relief be aligned with those provisions in the Corporations Act for small companies, however, the rules of all co-operatives should provide for a method of independent verification of the operations of societies including the option of an Audit Committee appointed by and answerable to members.

It was agreed that the resolution acknowledged the respective merits of what both Helen and Peter have been arguing on this issue.

ACTION: Secretary

2.5 International Year of Co-operatives

It was noted that Social Business Australia organised a conference call on 13 May 2010 to discuss the formation of an IYC Steering Committee.

It was noted that Co-operatives Australia at its meeting on 22 March 2010 agreed as follows:

It was agreed that Co-operatives Australia would be represented at a meeting convened by Social Business Australia to discuss co-ordination and representation of social businesses including co-operatives and the International Year of Co-operatives.

That the Co-operative Federation of Victoria support Co-operatives Australia participation in an IYC Steering Committee facilitated by Social Business Australia with the following terms of reference:

- Develop a strategy to engage government and sectors (what do we want)
- Prove the scale of the sector
- Answer the Government's question in terms of what do we want?
- Ideal role of government in 2012
- Policy reform agenda
- Need to have met government by November 2010 at the latest

ACTION: Secretary

2.6 Web Sites

It was noted that considerable work had been undertaken since the last meeting on 10 March 2010 - 29 updates to the five web sites – two domains and three sub-domains:

australia.coop
education.victoria.coop
health.victoria.coop
news.victoria.coop
victoria.coop

3. Financial Statements

The Treasurer David Dinning to presented financial statements.

That the Profit and Loss Statement of 1 July 2009 – 19 May 2010 and the balance sheet for 19 May 2010 be accepted.

It was agreed that membership subscription reminder letters should be forwarded to:

Co-operative Development Services
HICO
Footscray RHC
Geelong Radio Cabs
Green Valley
HICO
Murray Goulburn
Wautharong

ACTION: Secretary

4. CFNSW

It was noted that Dianne Batterham had reported that new Chair of CFNSW, Tony Rogic, was interested in meeting with the board.

The interest was welcomed and it was agreed to extend an invitation for the next board meeting.

ACTION: Secretary

5. Murray Goulburn Co-operative Co Ltd

It was noted that the Australian Competition & Consumer Commission has issued a statement of issues on the proposed acquisition by Murray Goulburn Co-operative Co. Limited of the Warrnambool Cheese and Butter Factory Company Holdings Ltd. The ACCC identifies one issue of concern - Markets for the acquisition of raw milk from farmers in the south west region of Victoria and central and south east regions of South Australia. The ACCC also raises one issue that may raise concerns - bulk supply of raw milk to dairy product manufacturers. On competition issues in acquisition markets, the ACCC is concerned that with the acquisition that if Murray Goulburn subsequently reduced the prices it offers for raw milk and/or other non-price benefits post-acquisition, it would be unlikely that competing processes would have the ability and incentive to compete.

It was also noted that on the 13 May 2010 the Senate Economics References Committee had issued a report:

[Milking it for all it's worth — competition and pricing in the Australian dairy industry](#)

6. Next Meeting

10: 30 a.m. 14 July 2010, Substitution Pty Ltd, 1/484 William Street, North Melbourne

Prepared by David Griffiths: 24 May 2010

Approved by Chairman: 31 May 2010

Emailed to directors: 31 May 2010

Snail mailed to directors: 02 June 2010

Future Meetings:

10: 30 a.m. 15 September 2010, Substitution Pty Ltd, 1/484 William Street, North Melbourne

10: 30 a.m. 17 November 2010, Urban Camp Melbourne Co-operative, Brens Drive, Parkville

AGM: 12:00 Midday 17 November 2010, Urban Camp Melbourne Co-operative, Brens Drive, Parkville